



BUDGET WEEK

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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Summarizing budgetary issues in legislation
scheduled for the House floor

6 May 2003

Week of 5 May 2003


SUSPENSION CALENDAR

1) **Authorizing Printing of the Brochures Entitled "How Our Laws Are Made" and "Our American Government," the Publication Entitled "Our Flag," the Document-Sized Annotated Version of the United States Constitution, and the Pocket Version of the United States Constitution** (H.Con.Res. 139). 


This resolution will not increase direct spending – spending not subject to appropriation – or reduce revenue.

2) **Authorizing the Printing of the Biographical Directory of the United States Congress** (H.Con.Res.138). 


This resolution will not increase direct spending or reduce revenue.

3) **Timothy Michael Gaffney Post Office Building Designation Act** (H.R. 1596). 


This bill will not increase direct spending or reduce revenue.

4) **Robert P. Hammer Post Office Building Designation Act** (H.R. 1625). 

This bill will not increase direct spending or reduce revenue.

5) **Dr. Caesar A.W. Clark Sr. Post Office Building Designation Act** (H.R. 1740). 


This bill will not increase direct spending or reduce revenue.

6) **Admiral Donald Davis Post Office Building Designation Act** (H.R. 1609). 

This bill will not increase direct spending or reduce revenue.

7) **Servicemembers Civil Relief Act** (H.R. 100). 

This bill will not increase direct spending or reduce revenue.

8) **Wastewater Treatment Works Security Act of 2003** (H.R. 866). 

This bill authorizes the Environmental Protection Agency make grants to States, municipalities, or other local governments to conduct vulnerability assessments at publicly owned wastewater treatment facilities and to undertake security enhancements at such facilities. The bill will not increase direct spending or reduce revenue.

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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to address support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems. **Also note:** Floor schedules and legislative details are subject to change after publication.

This document was prepared by the majority staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and therefore may not reflect the views of all the committee's members.

9) ***Rail Passenger Disaster Family Assistance Act of 2003*** (H.R. 874).



This bill will not increase direct spending or reduce revenue.

10) ***Authorizing the Use of the Capitol Grounds for the National Peace Officers' Memorial Service*** (H.Con.Res. 96).



This resolution has no budget implications.

LEGISLATION CONSIDERED UNDER A RULE

Bill: ***Workforce Reinvestment and Adult Education Act of 2003*** (H.R. 1261).



Committee: Education and the Workforce

Summary: H.R. 1261 makes a variety of changes to the Workforce Investment Act of 1998 [WIA]. These programs – which received discretionary budget authority [BA] of \$7.1 billion, and mandatory BA of \$2.5 billion for fiscal year 2003 – provide a framework for adult education, job training, and employment service assistance. Some of the affected programs are permanently authorized, but others expire in 2003, 2004, or 2005.

H.R. 1261 extends through 2010 the mandatory component of the State grants for vocational rehabilitation services, which is currently authorized through 2005. Under current law, the program is assumed to be extended indefinitely, so its extension would add no costs relative to the baseline.

Cost: H.R. 1261 increases discretionary authorizations by \$5.1 billion in 2004, and by \$31.2 billion over the 2004-2008 period. Assuming appropriation of the necessary amounts, outlays would increase by \$51 million in 2004 and by \$21.3 billion over the 2004-2008 period. The bill does not increase direct spending or reduce revenue.

Budget Act: This legislation does not violate any provision of the Congressional Budget Act.

Bill: ***Nanotechnology Research and Development Act of 2003*** (H.R. 766).



Committee: Science

Summary: The legislation provides grants to nanotechnology researchers, while establishing interdisciplinary nanotechnology research centers and advanced technology user facilities. An interagency committee is established to oversee the planning, management, and coordination of all Federal nanotechnology research and development activities. This committee is to include representatives from the White House Office of Science and Technology Policy, the Office of Management and Budget, and all Federal agencies participating in the nanotechnology program. The bill also creates an advisory committee, appointed by the President, that would conduct broad assessments of Federal nanotechnology research and development activities. It must report its findings every 2 years.

Cost: H.R. 766, would authorize \$645 million in fiscal 2004 for nanotechnology programs within the National Science Foundation, the Department of Energy, the National Institute of Standards and Technology, and several other agencies. Spending for those programs would increase to \$709.5 million in fiscal 2005 and \$781 million in fiscal 2006. The bill does not increase direct spending or reduce revenue.

Budget Act: The bill would not violate the Congressional Budget Act.

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Bill: *Jobs and Growth Tax Act of 2003.* 

Committee: Ways and Means

Summary: This bill has been reported pursuant to reconciliation directives in the Conference Report (Report 108-71) on the budget resolution for fiscal year 2004 (H.Con.Res. 95). The Conference Report directed the Committee on Ways and Means to report an economic growth and job-creation package reducing revenue by \$535 billion over 11 years, and increasing spending associated with tax relief measures by \$15 billion over the same period.

H.R. 2 bill makes a variety of changes to the tax code. It would tax dividends and capital gains at 15 percent for upper income earners and 5 percent for lower income workers. It would expand the child tax credit to \$1,000 for 2003 through 2005, but revert to current-law phase-in for 2006. It would accelerate the expansion of the 15-percent individual income tax rate bracket and the increase in the standard deduction for married taxpayers filing joint returns, but revert to the current-law phase-in for 2006. It would accelerate the expansion of the 10-percent bracket, but revert to the current-law phase-in for 2006. It would accelerate the 2006 rate schedule; increase the individual alternative minimum tax exemption amount by \$5,000 (single) and \$10,000 (joint) for 2003 and 2004, and maintain the level for 2005; increase the bonus depreciation to 50 percent and extend it through 20 June 2005; increase the amount that can be expensed from \$25,000 to \$75,000; and increase the phaseout threshold amount from \$200,000 to \$325,000.

Cost: No official estimate was available at the time of the preparation of this *Budget Week*. It is expected, however, that this legislation will reduce revenue by \$56.6 billion in 2003 and by \$535.7 billion over 11 years. Due to the increase in refundable tax credits, which are characterized as spending, the bill will increase budget authority and outlays by \$3.6 billion in fiscal year 2003, and by \$13.8 billion over the period of fiscal years 2003-13.

Budget Act: H.R. 2 generally complies with reconciliation instructions and revenue and spending levels in the fiscal year 2004 budget resolution. Even though the bill slightly exceeds its revenue target, it is deemed under the Congressional Budget Act to comply with the instruction because the overage, \$700 million, does not exceed 20 percent of the combined cost of the bill and the combined cost does not exceed \$550 billion.

The bill is also generally consistent with the other appropriate levels in the budget resolution. The revenue loss is well within the permissible levels for fiscal year 2003 and for the 11-year period (which included non-reconciled tax savings). Similarly, for the same period, the bill is within the Committee on Ways and Means' 302(a) allocation of new budget authority.

Because there is new entitlement authority included in the bill, increasing the amount of refundable tax credits, that first becomes effective in fiscal year 2003, H.R. 2 will technically violate section 401 of the Congressional Budget Act. This section includes a point of order against a measure providing new entitlement authority, such as refundable tax credits, in the current fiscal year. Though this technical violation applies, the new entitlement authority in this measure for fiscal year 2003 was specifically assumed to occur under the budget resolution currently in force, and is hence consistent with that resolution.

Prepared by **The Committee on the Budget**